

CHICAGO TRIBUNE  
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# CIA erred on Soviet oil

**THE CENTRAL INTELLIGENCE** Agency has changed its mind and now says the Soviet Union will not need Mideast oil to meet its energy needs by the mid-1980s.

Since 1977, the CIA has been insisting that overproduction in Siberian oil fields, coupled with a few new oil discoveries, would cause a sharp decline in output beginning in 1980, turning the Soviet Union from an oil exporter into an oil importer by 1985. That projection, reiterated as recently as 18 months ago, has been used by both the Carter and Reagan administrations to bolster their warnings of Soviet designs on the oil fields of the Middle East.

Now, the CIA says that it has re-evaluated the outlook and concluded that Moscow will be able to meet its energy needs without oil imports. It says the Soviets' 1985 output will be 10 million to 11 million barrels a day, not the 8 million to 10 million barrels a day projected earlier.

Currently, the Soviet Union is the world's largest oil producer, with an output of about 12 million barrels a day. Saudi Arabia ranks second, followed by the United States, which produces about 8.6 million barrels a day.

**OVER THE LAST** decade, Soviet oil production has grown rapidly because of extensive drilling in western Siberia. Even after supplying Moscow's domestic needs and the oil demands of its Eastern European allies, Russia has had net exports of 1 million barrels a day. These exports have been very important to the Soviet economy, accounting for a large por-

tion of the nation's hard-currency foreign trade.

It is difficult for outsiders to assess the Soviet oil industry, since Moscow has kept reserve figures a secret since 1947. Analysts place recoverable reserves at 50 billion barrels a day — about twice the remaining U.S. oil reserves — although the CIA has put the figure around 30 billion to 35 billion barrels.

In earlier reports, the CIA said the Russians had failed to find new reserves to offset the inevitable production declines of older fields found over the last 15 years. Output by Samotlor field, a production giant which accounts for 25 per cent of national production and one-half of western Siberian production, was projected to begin falling sharply by 1980 because of overproduction in recent years to meet short-term goals.

From the start, the CIA projections have been disputed as unduly pessimistic by Moscow and independent analysts in this country and Western Europe. As recently as December, the research group affiliated with the prestigious Economist Magazine of London predicted a continuing rise in Soviet oil output at least until 1990, although it said exports might be curtailed to meet the internal needs of the country and its allies.

**THE SOVIETS HAVE** set increased oil and gas development as a top priority. Last year, the government outlined an accelerated four-year plan to find and develop reserves in Siberia.

"Many geologists feel that if there

are any super giant oil fields yet to be discovered, the U.S.S.R. is the most probable place to find them," said a recent report by the energy economics department of Chase Manhattan Bank.

In its new projection, the CIA dropped its earlier forecast that Moscow would need to import at least 3 million barrels of oil a day by 1985 to meet its needs and to supply Eastern Europe.

"All of the problems that we foresee the Soviets facing are emerging, although output in the near term will be somewhat higher than we anticipated," the CIA said, downplaying the significance of its new data. "Despite extremely costly efforts, Soviet output at most is likely to remain at about present levels of 12 million barrels a day for one to three years and then begin to decline."

The Soviets, in their most recent five-year plan, set a goal of raising production to 12.4 million barrels a day by 1985, in contrast to the new CIA forecast of 10 million to 11 million barrels a day. In the past, Russia has fallen short of its oil-production goals, and many analysts say future output will hinge in part on the Soviets' ability to buy Western oil drilling technology.

Pravda, the Communist Party newspaper, was quick to make the most of the CIA's new prediction. It said Washington used the old CIA numbers to invent "every possible kind of sinister scenario of the Soviet threat of capturing the oil in the Middle East." The CIA, Pravda chided, should "eat its hat."

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